

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. List three types of retirement accounts that can be opened by an individual.
2. How are traditional IRAs and Roth IRAs similar? How are they different?
3. What types of retirement accounts are available for people who are self-employed?
4. Describe three types of employer-sponsored retirement plans.
5. What is the advantage to having a tax-deferred investment account?
6. Why is having a retirement account that is portable important?
7. Explain why mutual funds are a form of indirect investing.
8. Give two advantages of buying mutual funds rather than individual stocks or bonds.
9. What is asset allocation?
10. Which type of mutual fund has a better potential for high returns: a bond fund or a stock fund? Which of these two funds has a higher risk?